

## 2005-2007 IT PLAN Summary - Agency Budget Request

### 00471 BANK OF NORTH DAKOTA

---

2005B0100471

#### AGENCY IT PLAN CONTACT DATA

The Bank of North Dakota Agency Contact Person is Phyllis Lasher.

#### AGENCY IT OVERVIEW

Bank of North Dakota, located in Bismarck, ND, is the only state-owned bank in the nation. Its mission, established by legislative action in 1919, is to encourage and promote agriculture, commerce and industry in North Dakota.

In this role, the Bank acts as a funding resource in partnership with other financial institutions, economic development groups and guarantee agencies.

BND's dual role as a Bank and a State agency presents certain challenges as it relates to IT support from a government infrastructure to a Banking environment.

ND is comprised of several banking service areas including Loans (commercial, residential and agricultural), Treasury Services (trust services, bond accounting, safekeeping and investments), Internal Services (audit, human resources and credit review), Banking Services (retail banking, customer service, check processing, facility management), Student Loan of North Dakota (loan guarantee and lending services), Information Technology Services (software development/support, local area network administration (LAN) and PC desktop support and security) and BND administration.

BND obtains telecommunications, network, and enterprise server and AS400 hosting services from ND ITD. BND developers support packaged solutions, turn key solutions and enhance and support the Guarantor Priority Guarantee System (PGS) which was completed in July 2004. Its LAN Technical staff Support BND PC's servers and turn key software applications.

## 2005-2007 IT PLAN Summary - Agency Budget Request

### AGENCY TECHNOLOGY GOALS AND OBJECTIVES

The BND 05-07 budget request will be submitted on August 15, 2004. Because the IT plan is due on July 15, 2004, the budget will be submitted prior to the Industrial Commission's review. Their review may result in changes to the IT plan.

The plan is comprised of infrastructure costs and one project which consists of multiple strategic initiatives. The reason for this is that BND has contracted consultants to perform a business/technology gap analysis. A three year technology plan will be delivered as part of the engagement as well as vendor selection for core banking systems. The strategic initiatives project will be separated into multiple projects when the IT plan is completed. A separate project justification and cost benefit will be submitted to ND ITD with changes to the IT plan.

1. BND will complete an IT strategic project comprised of a business/ information technology assessment and gap analysis resulting in a three year strategic information technology plan based on BND's mission and business objectives by December 2004.
  - a. BND will implement the projects identified and prioritized in the three year strategic information technology plan.
  - b. The plan will include review and identification of:
    - Alternate solutions for systems remaining on the ND ITD enterprise server including Student Loan Lender Servicing.
    - BND to correspondent banks and BND to government agencies and related IT requirements
    - Alternative software solutions in support of Treasury Services and other systems not included as Core Banking software.
2. Complete implementation of Check Imaging by June 30, 2005.
3. Complete installation of replacement loan, deposit and general ledger systems by June 30, 2005.
4. Leverage Technical skills, experience and existing code for future project implementations.

00471 BANK OF NORTH DAKOTA

Version: 2005B0100471

(See Narrative on Agency Technology Activities - Infrastructure)

Number of Desktop Computers	200	Windows 98	0
Number of Desktop Computers planned to be replaced	102	Wndows NT	0
Aveage cost of Desktop Computer Replacements	1053	Windows 2000	0
Number of Laptop Computers	20	Windows XP	100
Number of Laptop Computers Planned to be replaced	12	Other	0
Aveage cost of Laptop Computer Replacements	2500		

Number of PC's by Region

1	2	3	4	5	6	7	8
0	0	0	0	0	0	200	0

Agency Technology Activities

**Reasons for Increase and Decrease of Infrastructure Costs**

The current appropriation for data processing is 4,152,780 which includes 2,452,780 of contingency funds. The 2,750,000 request for data processing is two thirds of the current costs. The reduction is comprised of expenses related to data processing costs that will not be incurred for the student loan guarantor system and core banking systems. Included in the 2,750,000 request for data processing are additional costs for ConnectND.

The cost of contractual services have increased because printer lease costs formally included in the cost of other ND ITD service rates will be passed onto the Bank as a new charge in the amount of \$108,000. Software maintenance costs are budgeted 10% over the current costs. Increases in contractual services of approximately \$200,000 are a result of applications added since the previous appropriation. They include Web Access (BND Direct), Student Loan E-SBS, reporting tools and development tools in the J2EE environment.

In the 03-05 biennium, PCs and monitors were budged under equipment less than \$5000 as one unit. In this request, monitors are budgeted under equipment less than \$750, which are included in a separate line item entitled IT software/supplies. The previous budget was based on a three year replacement cycle, replacing a larger number of PCs at an anticipated high average cost.

***Local Area Network Architecture******Server Hardware and Software Activities***

The NT operating systems on production servers will be replaced with Windows 2003 Server in the 03-05 biennium. The number of production servers may be reduced due to hardware consolidation

The Linux Development Server, BND Direct Servers, and PayPlus servers are due for replacement in the 05-07 biennium.

Infrastructure equipment and software will be reviewed as part of the BND business/IT assessment and gap analysis.

# IT Capture Infrastructure Budget Details - Agency Budget Request

Page 42 of 68

00471 BANK OF NORTH DAKOTA

Date: 11/29/2004

2005B0100471

Time: 3:56:02PM

		Current Appropriation	Budget Request	Optional Adjustments	Request Plus Optionals	Subsequent Biennium
<b>10</b>	<b>SALARIES &amp; WAGES</b>					
	<b>SALARIES, WAGES &amp; BENEFITS</b>	<b>\$1,792,330</b>	<b>\$1,937,450</b>	<b>\$0</b>	<b>\$1,937,450</b>	<b>\$0</b>
	<b>Total</b>	<b>\$1,792,330</b>	<b>\$1,937,450</b>	<b>\$0</b>	<b>\$1,937,450</b>	<b>\$0</b>
<b>30</b>	<b>OPERATING EXPENSES</b>					
IT3002	IT-DATA PROCESSING	\$1,700,000	\$2,750,000	\$0	\$2,750,000	\$1,500,000
IT3003	IT TELEPHONE	\$450,000	\$465,000	\$0	\$465,000	\$508,500
IT3005	IT SOFTWARE/SUPPLIES	\$300,000	\$302,040	\$0	\$302,040	\$330,000
IT3008	IT CONTRACTUAL SVCS & REPAIRS	\$1,715,000	\$2,085,080	\$0	\$2,085,080	\$1,700,000
IT3038	IT EQUIPMENT UNDER \$5000	\$350,000	\$160,080	\$0	\$160,080	\$200,000
	<b>Total</b>	<b>\$4,515,000</b>	<b>\$5,762,200</b>	<b>\$0</b>	<b>\$5,762,200</b>	<b>\$4,238,500</b>
<b>50</b>	<b>CAPITAL ASSETS</b>					
TI5016	IT EQUIPMENT \$5000 & OVER	\$350,000	\$182,000	\$0	\$182,000	\$200,000
	<b>Total</b>	<b>\$350,000</b>	<b>\$182,000</b>	<b>\$0</b>	<b>\$182,000</b>	<b>\$200,000</b>
<b>70</b>	<b>CONTINGENCY</b>					
IT7090	SPECIAL LINE OTHER	\$2,452,780	\$0	\$0	\$0	\$0
	<b>Total</b>	<b>\$2,452,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Funding Source</b>						
<b>BANK OF NORTH DAKOTA</b>			<b>\$7,881,650</b>	<b>\$0</b>	<b>\$7,881,650</b>	<b>\$4,438,500</b>
			<b>\$7,881,650</b>	<b>\$0</b>	<b>\$7,881,650</b>	<b>\$4,438,500</b>

# IT Capture Project Details - Agency Budget Request

Date: 11/30/2004

Time 7:40:42AM

00471 BANK OF NORTH DAKOTA

Version 2005B0100471

Project: Strategic Initiatives

Priority - 1

New Initiative

Age of Current Application - 0

## Project Description

BND Information Technology Strategic Initiatives: These are the projects that will result from the three year plan as described in the plan narrative. Because the plan will not be available until year end, the answers for the remaining questions are not available at this time. This information will be available prior to commencement of the project(s).

## Description of Business Need or Problem Driving the Project

Projects will be individually identified when the three year plan is available. Projects within this initiative are 1) AS400 upgrade 2) Treasury Services Software 3) Bank to Bank Systems and 4) Student Loan Servicing 5) Core banking production costs

## Description of how Project is Consistent with the Organization's Mission

This question and the remaining questions for cost benefit and justification will be available after projects are individually identified and approved by the BND Information Technology Steering Committee for implementation.

## Description of the Anticipated Benefits

Will be available after project approval

## Description of the Impact of NOT Implementing the Project

Will be available after project approval

## Identify any Risks Associated with the Project

Will be available after project approval

## Description of Additional Cost, if Any, for the Project

None

Additional Costs for the project that are not included in IT Object Codes

Additional Costs - \$0.00

Optional Project Costs \$1,700,000.00

**Total Project Cost - \$0.00**

**Total Project Cost + Optionals \$1,700,000.00**

**Description of Non-Appropriated Funds - \$0.00**

None

## IT Capture Project Details - Agency Budget Request

Date: 11/30/2004

Time 7:40:42AM

00471 BANK OF NORTH DAKOTA

Version 2005B0100471

Project: Strategic Initiatives

	<u>CURRENT</u> <u>APPROPRIATIONS</u>	<u>BUDGET</u> <u>REQUEST</u>	<u>OPTIONAL</u> <u>ADJUSTMENT</u>	<u>REQUEST PLUS</u> <u>OPTIONALS</u>	<u>SUBSEQUENT</u> <u>BIENNIUM</u>
IT1001 SALARIES AND WAGES	\$0	\$302,594	\$0	\$302,594	\$0
IT1008 BENEFITS	\$0	\$98,666	\$0	\$98,666	\$0
IT1500 CURRENT DATA SALARIES	\$210,284	\$0	\$0	\$0	\$0
IT1600 CURRENT DATA BENEFITS	\$65,487	\$0	\$0	\$0	\$0
IT7090 SPECIAL LINE OTHER	\$0	\$1,700,000	\$0	\$1,700,000	\$0
ITS101 IT FTE COUNT	\$3	\$4	\$0	\$4	\$0
<b>Total</b>	<b>\$275,774</b>	<b>\$2,101,264</b>	<b>\$0</b>	<b>\$2,101,264</b>	<b>\$0</b>
<b>998 BANK OF NORTH DAKOTA</b>		<b>\$2,101,260</b>	<b>\$0</b>	<b>\$2,101,260</b>	<b>\$0</b>
<b>Total Funding:</b>		<b>\$2,101,260</b>	<b>\$0</b>	<b>\$2,101,260</b>	<b>\$0</b>

## IT Capture Project Details - Agency Budget Request

Date: 11/30/2004

Time 7:40:42AM

00471 BANK OF NORTH DAKOTA

Version 2005B0100471

Project: Core Banking

Priority - 1 Ongoing Initiative  
Age of Current Application - 20

**Project Description**

Select new core banking software

**Description of Business Need or Problem Driving the Project**

IT strategic plan being developed to determine if new core banking software needed.

**Description of how Project is Consistent with the Organization's Mission**

The information will be available at the end of the consultant engagement in December 2004 prior to implementation.

**Description of the Anticipated Benefits**

The information will be available at the end of the consultant engagement in December 2004 prior to implementation.

**Description of the Impact of NOT Implementing the Project**

The information will be available at the end of the consultant engagement in December 2004 prior to implementation.

**Identify any Risks Associated with the Project**

The information is currently not available.

**Description of Additional Cost, if Any, for the Project**

None

Additional Costs for the project that are not included in IT Object Codes

Additional Costs - \$0.00

Optional Project Costs \$0.00

**Total Project Cost - \$0.00****Total Project Cost + Optionals \$0.00****Description of Non-Appropriated Funds - \$0.00**

None

## IT Capture Project Details - Agency Budget Request

Date: 11/30/2004

Time 7:40:42AM

00471 BANK OF NORTH DAKOTA

Version 2005B0100471

Project: Core Banking

	<u>CURRENT</u> <u>APPROPRIATIONS</u>	<u>BUDGET</u> <u>REQUEST</u>	<u>OPTIONAL</u> <u>ADJUSTMENT</u>	<u>REQUEST PLUS</u> <u>OPTIONALS</u>	<u>SUBSEQUENT</u> <u>BIENNIUM</u>
<b>IT1001</b> SALARIES AND WAGES	<b>\$0</b>	<b>\$173,000</b>	<b>\$0</b>	<b>\$173,000</b>	<b>\$0</b>
<b>IT1008</b> BENEFITS	<b>\$0</b>	<b>\$52,972</b>	<b>\$0</b>	<b>\$52,972</b>	<b>\$0</b>
<b>IT1500</b> CURRENT DATA SALARIES	<b>\$157,684</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>IT1600</b> CURRENT DATA BENEFITS	<b>\$46,592</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>IT3005</b> IT SOFTWARE/SUPPLIES	<b>\$653,665</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>IT3008</b> IT CONTRACTUAL SVCS & REPAIRS	<b>\$190,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ITS101</b> IT FTE COUNT	<b>\$2</b>	<b>\$2</b>	<b>\$0</b>	<b>\$2</b>	<b>\$0</b>
<b>TI5016</b> IT EQUIPMENT \$5000 & OVER	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total</b>	<b>\$1,147,943</b>	<b>\$225,974</b>	<b>\$0</b>	<b>\$225,974</b>	<b>\$0</b>
<b>998</b> BANK OF NORTH DAKOTA		<b>\$225,972</b>	<b>\$0</b>	<b>\$225,972</b>	<b>\$0</b>
<b>Total Funding:</b>		<b>\$225,972</b>	<b>\$0</b>	<b>\$225,972</b>	<b>\$0</b>